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## Viewing cable 06MANAGUA1839, NICARAGUA ELECTIONS UPDATE

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E.O. 12958: DECL: 08/16/2016  
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SUBJECT: NICARAGUA ELECTIONS UPDATE

REF: A. MANAGUA 1731

[1](#)B. MANAGUA 1572

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

[1](#)1. (C) Summary: With only two and a half months left before the Nicaraguan national elections on November 5, the Liberals remain divided and the Sandinista dissidents are running low on funds. Five parties continue to contest the elections with the following candidates: Daniel Ortega (Sandinista Front - FSLN); Eduardo Montealegre (Nicaraguan Liberal Alliance - ALN); Jose Rizo (Liberal Constitutional Party - PLC); Edmundo Jarquin (Sandinista Renovation Movement - MRS); and Eden Pastora (Alternative for Change - AC). Recent polls show Ortega in the lead with Montealegre close behind (with about 25-29 percent), followed by Rizo and Jarquin (14-19 percent), with Pastora trailing at 1-2 percent. If Montealegre can force Ortega into a runoff, polls indicate that he would defeat the FSLN candidate. End Summary.

Elections Background

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[1](#)2. (U) Since the inception of democratic rule in Nicaragua in 1990, political power has been contested between two majority forces: the Liberals on the right, and the Sandinistas on the left. The civil war and economic mismanagement in the 1980s, and the Sandinista giveaway of government property to party leaders in 1990 (the "pinata"), turned a significant majority of the population against the Sandinista Front (FSLN), preventing the FSLN from winning national elections. Recognizing demographic realities, the Sandinistas since 1990 have methodically promoted divisions on the right and worked to maximize their voting strength by building a large and disciplined party structure.

[1](#)3. (U) Nicaragua's opposition forces came together under the United National Opposition (UNO) to win the 1990 elections, but soon splintered. The Liberal Constitutional Party (PLC), a minor UNO partner, eventually emerged as the dominant Liberal force, in large part due to the energetic and charismatic leadership of party president Arnaldo Aleman. The balance of UNO broke apart, with the political scene populated by an alphabet soup of minor Liberal parties, the traditional Conservative Party (PC) -- reduced to a small minority except in a few strongholds -- the Nicaraguan Resistance (PRN) formed by ex-Contra fighters, and parties formed to represent the evangelical population, such as the Nicaraguan Christian Path Party (CCN), and the Christian

Alternative (AC).

¶4. (U) Discontent has also grown within the FSLN after the 1990 "pinata" of FSLN leader Daniel Ortega and Ortega's continued electoral defeats during that decade. Indeed, some elements broke away from the FSLN during the 1990s, most notably the Sandinista Renovation Movement (MRS) under the leadership of revolutionary activist Dora Maria Tellez. The FSLN was, however, able to maintain its core using threats, coercion and discipline. Despite repeated defeats, Ortega pledged to "rule from below" using residual Sandinista influence in governmental institutions such as the police, armed forces, and the court system.

¶5. (SBU) The PLC and Arnaldo Aleman emerged victorious in the 1996 national elections, but were unable to gain a supermajority (56 votes) in the National Assembly, which would have allowed the party to name Supreme Electoral Council (CSE) and Supreme Court (CSJ) magistrates without Sandinista votes. This balance led to a political "pact" between the PLC and FSLN to divide control of the institutions of government between the two parties, an arrangement which has continued to the present. Hence, virtually all employees of governmental institutions that are controlled by appointments by the National Assembly are affiliated with the PLC or FSLN and serve the interests of those parties.

¶6. (U) Before the 2001 election, the PLC was able to corral most of the smaller democratic parties into an alliance. Aleman personally selected Enrique Bolanos as the alliance's presidential candidate as well as many of the National Assembly and Central American Parliament deputy candidates. This process is known as the "dedazo" ("finger" or hand-picking). Bolanos won the election and instituted an anti-corruption campaign.

¶7. (SBU) In 2003, Aleman, who stole tens of millions of dollars from state coffers, was convicted of fraud and money laundering, stripped of his parliamentary immunity (which he enjoyed as an ex-President) and sentenced to 20 years in prison. This process caused a great upheaval in the Liberal ranks. When the dust settled, a small number of Liberal and Conservative deputies broke from the PLC alliance to form a new political caucus to support Bolanos, but the vast majority remained loyal to Aleman (owing their power to Aleman's dedazo) and condemned the President as a traitor. The Conservatives and Liberals, unhappy with Aleman's continued influence in the PLC, formed the Alliance for the Republic (APRE), a party loyal to and supported by the Bolanos administration.

¶8. (U) Aleman and Ortega manipulated the pact and Sandinista control of the judiciary to allow greater degrees of freedom for Aleman (he began his sentence in a prison cell, was moved to a hospital, then to house arrest, and now is allowed to move freely about Managua under "medical parole") in exchange for concessions to the FSLN in the CSE and CSJ. (Comment: The pact has provided obvious benefits to Aleman and Ortega but alienated Liberals and Sandinistas disgusted with their leaders' concessions to the enemy and anti-democratic and corrupt manipulation of the powers of state. End Comment.) The pact has consistently attacked and undermined the Bolanos administration, at times threatening the stability of the country.

¶9. (U) As part of the pact agreements, Aleman supported a change in the Electoral Law that allows the front-running candidate to win the election in the first round with 40 percent of the vote or 35 percent with a five percent lead over the next most popular contender. This modification clearly favors the FSLN's Ortega, whose electoral support since the country's return to democracy has averaged about 40 percent.

¶10. (U) Having won comfortable majorities since 1990, the Liberals lost badly in the 2004 municipal elections. The Sandinistas won 88 of 152 municipalities, the PLC 58, APRE

five, and the PRN one. The Sandinistas claimed victory with a plurality of the vote in most of their 88 municipalities, with the PLC, APRE and other minor parties dividing the anti-Sandinista vote. The abstention rate was also slightly higher than normal, which many people blamed on the voters' unhappiness with the pact.

#### The 2006 Elections

¶11. (U) Three candidates emerged in 2005 to challenge the Aleman-Ortega pact. Excluded from the majority parties by the two caudillos, Sandinista dissident Herty Lewites broke from the FSLN to head the MRS ticket, and Liberal dissident Eduardo Montealegre formed the Nicaraguan Liberal Alliance (ALN) composed of PLC dissidents, the PC, PRN, and other small democratic parties. PLC outcast and prominent Bolanos Administration official Jose Antonio Alvarado won the APRE party nomination. Daniel Ortega was once again the pre-ordained candidate of the FSLN, and Bolanos' vice president Jose Rizo was chosen as the PLC candidate in April 2006.

¶12. (SBU) The CSE deadline to register party candidates at the end of May 2006 drove both a consolidation and division amongst the political parties. The Christian Alternative (AC) party left Lewites' alliance, changed its name to Alternative for Change (same initials) and chose the erratic Eden Pastora as its presidential candidate. Jose Antonio Alvarado became Jose Rizo's running mate in the PLC, but APRE joined the ALN. Arnoldo Aleman again imposed several unpopular PLC deputy candidates by dedazo, causing Jose Rizo to threaten to resign his candidacy (he backed down).

¶13. (U) The political upheaval did not end in May -- MRS candidate Lewites died from heart complications in early July. Lewites' running mate Edmundo Jarquin assumed the candidacy and MRS leadership convinced popular Sandinista revolutionary songwriter Carlos Mejia Godoy to accept the vice presidential nomination. Post-Lewites polls indicate that Jarquin has been able to prevent the bulk of MRS supporters from defecting to the ALN or FSLN by capturing public approval and promoting the continuation of Lewites' ideals. The Liberals have continued their constant infighting, resulting in an ongoing shift of Liberal politicians back and forth between the PLC and ALN, depending on their calculation of personal benefit, although most of the defectors have left the PLC for the ALN.

#### Recent Polls

¶14. (U) A Borge y Asociados poll released on August 3 showed the following results for the candidates and their parties:

Candidate	Party
Ortega: 31.4%	FSLN: 33.4%
Montealegre: 29.1%	ALN: 23.0%
Rizo: 15.7%	PLC: 17.3%
Jarquin: 15.2%	MRS: 13.6%
Pastora: 1.1%	AC: 0.7%
None: 7.6%	

This poll was financed by the ALN and has been criticized by the PLC and FSLN for asking "leading questions" about how respondents felt about the PLC-FSLN pact.

¶15. (SBU) A M&R poll released on August 20 presented the following figures:

Candidate
Ortega: 32.1%
Montealegre: 25%
Rizo: 13.7%

Jarquín: 19.9%  
Pastora: 1.3%  
None: 8.0%

The M&R poll also projected the percentage of votes the candidates would receive if the 8 percent of undecided voters abstained. The projection showed: Ortega (34.9%), Montealegre (27.2%), Jarquín (21.6%), Rizo (14.9%), Pastora (1.4%). "La Prensa" sensationalized this projection by announcing that Ortega was 0.1% away from winning the election in the first round. Analysts and candidates agreed, however, that the undecided voters would not likely abstain en masse.

¶16. (C) A private Borge y Asociados poll commissioned by IRI and passed to emboffs on August 21 had the following results:

Candidate -----	Party -----
Ortega: 27.5%	FSLN: 30.0%
Montealegre: 24.8%	ALN: 21.6%
Rizo: 18.6%	PLC: 20.5%
Jarquín: 17.1%	MRS: 17.9%
Pastora: 1.0%	
None: 11.1%	

¶17. (SBU) Although Ortega consistently leads in the recent polls, 60-65 percent of Nicaraguans hold very unfavorable opinions of him, according to surveys. Montealegre is consistently chosen as the second-choice candidate of Rizo and Jarquín supporters, and would easily defeat Ortega in a second round. Rizo and Jarquín would also gain extra votes in a second round, but not as many as Montealegre, and their ability to defeat Ortega is less assured.

#### Current Status of the Four Major Candidates -----

¶18. (C) ORTEGA: The FSLN is clearly by far the most organized, disciplined, and best financed party. Flashy FSLN propaganda promoting the party, Ortega, and Vice Presidential candidate Jaime Morales is evident nationwide, but especially in Managua, which is blanketed with pastel billboards promising "peace and reconciliation," "an end to hunger," and "unity and progress." Ortega has pursued a strategy of "unity" by choosing a Liberal running mate, and rapprochement with the Catholic Church via Cardinal Miguel Obando y Bravo, the retired Archbishop of Managua. He has even sent emissaries to promise us that the FSLN will not rock the macroeconomic boat if Ortega is elected and that the party would like to have friendly relations with "everyone," including the USG (Ref A). Ortega was widely criticized for his July 19 "Anniversary of the Revolution" speech when he appeared before the crowd wearing a Nicaraguan flag as a cape and promised widespread subsidies to producers and a "mixed economy."

¶19. (C) MONTEALEGRE: The ALN is slowly pulling together its disparate parts to conduct a unified campaign (with the help of more than a dozen foreign advisors). Montealegre has been forced to defend himself against trumped-up PLC charges that he illegally benefited from the 2000-2002 banking crisis -- charges that even Jarquín and Pastora agree are unfounded. He recently toured the country in an effort to gain support and change his image as the candidate of the wealthy oligarchy. Nevertheless, ALN contacts continue to report problems of voter perceptions of Montealegre's "arrogant and distant" personality. With few exceptions, the ALN has not yet received the level of support it expected from the Nicaraguan private sector, although the party has been more successful with foreign donors. ALN deputy candidates complain that Montealegre is spending virtually all of the money on the national campaign while leaving them to their own devices.

¶20. (C) RIZO: Once the premier political force in Nicaragua, the PLC has been weakened by internal divisions and an



unmotivated party base. Several local PLC leaders have confided to us that they are unhappy with the deputy candidate lists imposed by Aleman. A determined group of northern PLC mayors has started a movement to force Aleman from the party. Aleman once promised to distance himself from the campaign, but he and his wife consistently attend Central Committee strategy meetings. The recent issuance of a Panamanian arrest warrant for Aleman and some of his relatives dealt a further blow to party morale. Contacts report that Jose Antonio Alvarado has privately criticized Rizo and campaign manager Enrique Quinonez for incompetent management of the PLC campaign. While Rizo is struggling to energize his supporters, he remains stubbornly resistant to ALN overtures inviting him to leave the PLC, claiming that Montealegre should join with the PLC under his leadership.

¶21. (C) JARQUIN: Jarquin and the MRS seemed to have weathered the death of Lewites by emphasizing Lewites' legacy and taking advantage of sympathy for the former mayor of Managua and frustration with the FSLN. Jarquin recently made a tactical mistake, however, by expressing his support for legalizing elective abortions, a procedure opposed by a large majority of Nicaraguans and the Catholic Church, which publicly denounced his position (the other candidates quickly announced their opposition). Contacts report that several sources of funding brought to the MRS by Lewites (from Jewish communities in Panama and Europe, for example) have run dry. Jarquin himself admits that the MRS receives minimal support from the Nicaraguan private sector, and the party has been forced to essentially cut off local candidates in lower-priority departments -- basically everywhere but the Pacific region, which contains the majority of MRS supporters. Jarquin realizes that his chances of winning the presidential election are remote, but he is committed to winning a significant number of seats for the MRS in the National Assembly and working with the ALN to reform government institutions (Ref B).

Comment: Can Ortega Win in the First Round?

¶22. (C) The persistent split and infighting in the Liberal ranks has benefited Ortega and could conceivably hand him a first-round victory -- although we do not judge such an outcome likely. Montealegre has always claimed that Rizo will join forces with him once he realizes that his candidacy is hopeless, but the ALN's disorganization, financial difficulties, and Montealegre's own foibles have prevented him from dominating Rizo in the polls as quickly as he planned. Nevertheless, the polls consistently demonstrate that Montealegre is the only serious challenger to Ortega. The "conventional wisdom" is that Rizo will jump to the ALN sometime in September and take enough anti-Arnoldo PLC supporters with him to push Montealegre to a first-round win, or at least guarantee a runoff with Ortega. At this point, however, Rizo has not arrived at the same conclusion. Further negative poll results (for Rizo) and pressure from various interlocutors could possibly prompt a Rizo defection before the CSE prints the electoral ballots in early October.

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